Frequently Asked Questions about LAIF

QUESTION	YES	NO	EXPLANATION
I. SECURITIES			
1. Does the pool provide a written statement of investment policy and objectives?	YES		
2. Does the statement contain:			
a. a description of eligible investment instruments?	YES		
b. the credit standards of investments?	YES		
c. the allowable maturity range of investments?	YES		
d. the maximum allowable dollar weighted average portfolio maturity?	YES		
e. the limits of portfolio concentration permitted for each type of security?	YES		
f. the policy on reverse repos?	YES		
3. Are changes in the policies communicated to the pool participants?	YES		
II. INTEREST			
Interest Calculations			
1. Does the pool disclose the following about yield calculations:			
a. Which methodology is used to calculate interest? (simple maturity, yield to maturity, etc.)			On dollars per day.
b. What is the frequency of interest payments?			Quarterly.
c. How is interest paid? (credited to principal at the end of the month, each quarter, mailed?)			Credited to principal at end of quarter.
d. How are gains/losses reported? (factored monthly or only when realized?)			When realized.

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Reporting			
1. Is the yield reported to participants of the pool monthly? (If not, how often?)	YES		
2. Are expenses of the pool deducted before quoting the yield?		NO	Expenses of the pool are deducted quarterly prior to interest allocation.
3. Is the yield generally in line with the market yields for securities in which you usually invest?	YES		
III. SECURITY			
1. Does the pool disclose safekeeping practices? (If yes, what are they?)	YES		Statute requires all instruments of title of all investments of the fund to remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.
2. Is the pool subject to audit by an independent auditor?	YES		
3. Is the copy of the audit available to participants?	YES		
4. Who makes the portfolio decisions?			State Treasurer, Investment Division staff.
5. How does the manager monitor the credit risk of the securities in the pool?			Written Statement of Policies, Goals, Objectives, annual independent market valuation.

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6. Is the pool monitored by someone on the board or a separate, neutral party external to the investment function to ensure compliance with written policies.	YES		Pooled Money Investment Board, Local Agency Advisory Board, Auditor General.
7. Does the pool have specific policies with regard to repurchase agreements?	YES		Government Code 16430/16480, Portfolio Management Goals, Objectives & Policies.
a. What are those policies?			
8. Does the pool report the portfolio's market value?	YES		Monthly. (Reporting purposes only, values are not adjusted for unrealized gains or losses.)
9. Does the pool disclose the following about portfolio valuations:			
a. The frequency with which the portfolio securities are valued?	YES		Quarterly.
b. The method used to value the portfolio (cost, current value, or some other method)?			Amortized cost, current value.
IV. STATEMENTS			
1. Are statements for each account sent to participants?	YES		
a. Do statements show balances and transactions?	YES		
2. Does the pool distribute detailed reports of its holdings? (regularly or on request only?)	YES		On a regular monthly basis.
V. FEES			
1. Is there a written schedule of administrative costs?	YES		
a. What are the fees?			Statute 16429.1 requires administrative costs not to exceed 1/2 of 1% of earnings quarterly. However, the fees are directly correlated to the costs of operation only.

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b. How often are they assessed?			Quarterly.
c. How are they paid?			Prior to interest allocation.
d. Are there additional fees for wiring funds?		NO	
2. Are expenses deducted before quoting the yield?		NO	
VI. OPERATIONS			
1. Does the pool limit eligible participants?		NO	
a. What entities are permitted to invest in the pool?			Local governmental units, non-profit corporation whose membership is confined to public agencies or public officials, qualified quasi-governmental agencies.
2. Does the pool allow multiple accounts and subaccounts?		NO	
3. Is there a minimum or maximum account size?	YES		**$40 million maximum $5 thousand minimum unless bond proceeds.
4. Does the pool limit the number of transactions each month?	YES		
a. What is the number of transactions permitted each month?			**15 transactions per regular account.
5. Is there a limit on transaction amounts for withdrawals and deposits?	YES		
a. What is the minimum and maximum withdrawal amount permitted?			**$40 million maximum $ 5 thousand minimum.
b. What is the minimum and maximum deposit amount permitted?			**$40 million maximum $ 5 thousand minimum.

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6. Does the pool require one or more days notice for deposits and/or withdrawals?		NO	However, we ask that withdrawals of $10 million or more give 24 hour notice.
7. Is there a cutoff time for deposits and withdrawals?	YES		Call by 10:00 a.m. for same day credit.
8. Are the funds 100% withdrawable at any time?	YES		
9. Are there procedures for making deposits and withdrawals?	YES		
a. What paperwork is required, if any?			Once resolution is authorized by governing body, and banking information has been filed, authorized caller needs PIN # and sending bank name for deposits plus receiving bank name and account # to be credited for withdrawals.
b. What are the wiring procedures?			Authorized caller needs PIN #, receiving bank name and account # to be credited for interbranch transfers or fed wires.
10. Can an account remain open with a zero balance?	YES		
11. Are confirmations sent following transactions?			Included as part of monthly statement.

** BOND PROCEEDS HAVE NO MAXIMUM DEPOSIT AMOUNT AND ARE MAINTAINED ON THIRTY DAY INCREMENTS.